C4725-2A

Lawn&Garden Marketing

JUNE 1985

Reports on: Winter sales

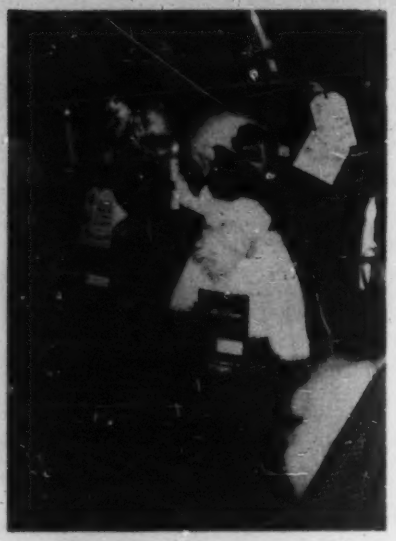
• Financing inventory • Watering equipment

A20800----SHWEA5200 XXXXX LGN
F001006200000000XLB NY2
ANDREA SCHWARZ
CONGRESSIONAL INFO SERV
4520 EAST WEST HWY
BETHESDA MD 20814

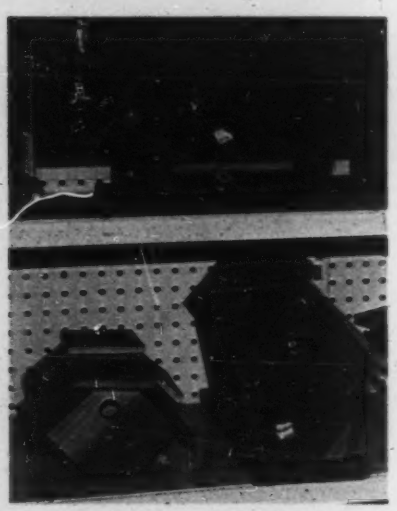
JUNE 1985 VOL. 24, No. 5 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.



6 **Little People** proved to be a good Christmas item for one New Jersey retailer who sold more than 500 units.



14 **Birdfeeder sales** were up during winter 1984-85 said 35 percent of the retailers responding to an **LGM** survey.

6 **Think gifts.** A report on how retailers can use power equipment and other high-ticket merchandise to get their share of the Christmas season bonanza.

8 **New study from NOEL analyzes trim-a-tree space, dollars.** Investments by garden centers and other retailers in several categories of decor are studied by the National Ornaments and Electric Lights Assn.

14 **Winter sales report.** An **LGM** survey reports 1984-85 winter product sales in 10 categories and plans for the coming year.

18 **Financing inventory: What's your strategy?** Contributing author Steve Trusty discusses the various financing options, including floor planning and dating programs, now available to dealers.

34 **Gavin to keynote NHS.** "A Step Ahead" will be the keynote address given by Ace Hardware president Lawrence R. Gavin.

34 **NMC nears $400,000 mark.** A preview of the report to be presented at the annual AAN Convention and Nursery Growers' Expo in July discusses the successful funding and new marketing strategies of the Nursery Marketing Council.

DEPARTMENTS

4	Editor's Notebook	40	New Products
9	ABCs of Watering Equipment	43	Calendar
24	Marketing in Action	50	Manufacturers' Literature
36	Power Equipment Report	51	Distributor News
38	Green Scene	52	In the News

Coming in July: Previews of Louisville Expo, National Hardware Show and GIA Show • Selling landscaping decor • ABCs of Barbecue grills.

Cover photo and design by Anita Blattner.

Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

Copyright 1985 INTERTEC PUBLISHING CORP. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of the publisher. For information, address John Wickersham, 9221 Quivira Road, Overland Park, KS 66215.

Photocopy rights: Permission to photocopy for internal or personal use is granted by Intertec Publishing Corp. for libraries and others registered with the Copyright Clearance Center (CCC), provided the base fee of $2.00 per copy of article is paid directly to CCC, 21 Congress St., Salem, MA 01970. Special requests should be addressed to publisher. ISSN 0091-4665: $2.00 + 0.00.

Winter Sales Report

Data on sales and outlook, based on an *LGM* survey, covers trim-a-tree, snow-removal equipment, logsplitters, birdseed and feeders, and more.

■Overall, the 1984-85 winter merchandising season produced improved sales compared to the previous winter, and many retailers even say they are planning major expansions in some winter lines this season.

Twenty-one percent of the power equipment dealers, 18 percent of the garden centers, 17 percent of the multi-department stores, and 14 percent of the hardware/home centers indicate they are planning major expansions (15 percent or more) in winter inventories for 1985-86.

This data is based on an **LGM** questionnaire sent to these four classes of retailers. Retailers were asked to indicate sales changes in their winter inventories over the previous season and comment about plans for next winter.

Of the garden centers that plan to expand their inventories, poinsettias and birdseed were the commonly mentioned products involved in the expansion. Power equipment dealers expressed a desire to increase the number of snowthrowers carried.

Traditionally, the weather has the greatest influence on the success of winter lawn and garden product sales. Cold temperatures and snow promoted the sales of birdfeeders and kerosene heaters in some areas, while a lack of snow hurt sales of many products in other areas.

Birdfeeders and birdseed showed the biggest sales increases. More than 35 percent of the retailers carrying birdfeeders reported increased sales while only 10 percent said sales decreased. Birdseed followed a similar pattern with 38 percent indicating increased sales, and 13 percent indicating decreases.

Regionally, North Central retailers showed even larger percentages of increases. Almost 48 percent in the North Central said birdfeeder sales were up, and 50 percent reported better birdseed sales. "Birdfeeders, birdfeed and all associated items were big sellers," said one North Central garden center. "We sold, as of Feb. 18, over 60 tons of birdseed, thousands of dollars of feeders. The trend is up."

Many North Central retailers made similar reports but also indicated sales did not pick up until snow came late in the season. "Winter (sales) are totally reliant on the amount of snowfall for birdseed sales," said another garden center. "When there is no snow cover, people tend to let birds fend for themselves. We had no snow cover until Jan. 10 and then really got it. From then on, sales picked up."

Extreme cold also helped improve kerosene heater sales in some areas,

continued...

although it was unable to change the national trend. The trend in kerosene heater sales continued downward.

Nationally, 15 percent of retailers reported sales were up, and 26 percent reported them down.

According to Izuru Nakamura, president of Toyotomi America, the heater manufacturer shipped almost double the previous season's volume to its distributors in the United States. "Moreover, shipments were not limited to narrow geographical areas," he said. "This was because extreme temperatures hit so many sections of the country."

The South, however, was the only region to indicate an increase in kerosene heater sales where 25 percent of retailers reported sales increases, and 18 percent reported decreases.

"The weekend of Feb. 3, an ice storm in southern Tennessee and northern Alabama cut power and made people desperate for a back-up system," said Johnny Moore, executive vice president of distributor Garrett-Moore, Nashville, Tenn. "Emergency calls from 25 dealers resulted in our shipping out almost 500 units from our warehouse and Toyotomi. We even got the Tennessee and Alabama Highway Patrol to escort our trucks on roads closed to normal traffic."

Weather was not the only factor in kerosene heater sales. One Nebraska power equipment dealer reported he thought actual heater sales profits were down because retailers dumped their inventory at well below retail costs. "This should be about the final year of distress merchandising," he predicts. "By next year, this product should once again be sold at retail prices reflecting a small profit."

Manufacturers also believe new cleaner-burning kerosene heaters on the market will improve both consumer trust and product sales.

One southern garden center blamed weaker sales of trim-a-tree products on the weather saying, "The weather stayed warm too long. I feel it kept people from getting into the Christmas spirit." But weather was not really a major factor in sales of this product line, arts and crafts or pet supplies. All three categories reported improved or steady sales.

Almost 24 percent of retailers reported increases of trim-a-tree sales, and 10 percent had lower sales.

For arts and crafts, garden centers followed the national trend exactly. Eight percent of garden centers and of all retailers indicated higher sales while 4 percent said sales were down. The other classes of retailers followed similar patterns.

Sales of pet supplies appear to be significantly higher in all regions and in garden centers and hardware/home centers. Only in the multi-department stores did retailers indicate steady sales. Nationwide, 19 percent of all retailers said sales were up, and 4 percent reported them down.

Sales of both snow shovels and melting compounds are affected by weather, and both showed national sales increases. About 14 percent of retailers told of more snow shovel sales, and the same percentage reported better melting compound sales. Almost 7 percent indicated lower snow shovel sales, and 6 percent said they sold less melting compounds.

Some retailers indicated they could have sold more snow shovels, but their areas do not usually get much snow, so they did not carry many snow shovels.

The only product besides kerosene heaters to show a downward trend during winter 1984-85 was logsplitters. Only 6 percent of retailers reported increased sales, and 20 percent reported decreased sales. The trend continued in every region, with the worst sales reported in the West. Both multi-department stores and power equipment dealers stayed in line with the national and regional trends. Only hardware/home centers held steady.

Artificial Christmas trees was one product line in which there was some variety among results. About 28 percent of the garden centers, 35 percent of the hardware/home centers and 75 percent of the multi-department stores carry artificial trees.

About 83 percent of the multi-department stores reported their best-selling trees sold for about $35 to $99. About 79 percent of the hardware/home centers said their best-sellers fell into the same price range.

A significant difference in the most popular prices for artificial trees occurred in garden centers. In garden centers, about 54 percent of the retailers reported their most popular trees sold for $50 to $124. An additional 16 percent said the most popular range was $125 to $149, and 19 percent indicated the most trees sold in the range from $175 to $199. □

Snowthrower sales
(% reporting sales changes)

		Multi-dept. stores	Hardware/home centers	Power equip. dealers
Snowthrowers: single-stage	Up	17%	15%	28%
	Down	8	19	16
two-stage	Up	21	17	34
	Down	8	8	15
Snowthrower replacement parts	Up	4	13	34
	Down	4	2	12